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THE  
UNITED STATES FINANCES.

ABSOLUTE FREE TRADE

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WITHOUT ADDING TO TAXATION,

BY

M. DE EMBIL.

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*P. O. Box 4,021.*

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No man is more of a slave than he who is condemned to hard labor for a small pittance.—F. ESTRADA.

A nation is poor or rich in proportion to the cost of subsistence and the necessary commodities.—ADAM SMITH.

To what avail the plow and sail  
Or land, or life, if freedom fail?

The most sacred of all liberties is the privilege of buying and selling in the best market.

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NEW YORK, DECEMBER 1st, 1874.

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PRICE, 25 CENTS.

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A liberal discount to the trade.

Seligman  
1874  
Em 14

L'abolition de l'esclavage à Cuba, cette operation si dangereuse ordinairement, aurait au contraire un ère de prospérité et d'apaisement. Au moment où ce plan fut livré à la publicité, vers 1863, ce ne pouvait être qu'un rêve, mais c'est assurément le rêve d'un homme pratique. L'auteur du projet est M. Miguel d'Embil, un des principaux banquiers de l'Havane, mêlé aux plus grandes affaires de l'Ile, et vivant tout à la fois de la vie intellectuelle de l'Europe. Cuba ne sera relevée que par un de ces miracles que la liberté seule peut produire. Il lui faut une administration à bon marché, et l'héroïsme du travail sur un champ débarrassé de toute entrave. Le projet de M. d'Embil, en devenant l'idéal des Cubains éclairés, a pris une forme plus précise (*Revue des Deux Mondes*, Paris, Novembre 15, 1869.) M. d'Embil comptait que les revenus des Douanes et tous les autres impôts devraient être abolis, ainsi que les administrations et fonctionnaires publiques qui font perdre au publique un temps précieux, lequel représente un autre impôt. . . . 2e. Que la consolidation de tous les impôts dans un seul et unique de dix francs par caisse de sucre, la récolte de 1868-1869, représentant 3,900,000 caisses, donnerait plus de 35 millions de francs nets, puisqu'étant à collecter sur 1,500 perceptions (seulement) une fois par an, ajoutant loteries, propriétés de l'Etat, postes, etc. . . . 3e. Que sur la base de l'abolition des Douanes l'on fit un traité de commerce avec les Etats Unis d'entière et mutuelle franchise ce que ferait que les sucres, mélasses, tabac, etc., se vendraient avec avantage. 4e. M. d'Embil calcule que le prix du travail esclave revient à 50 francs par mois, par intérêt du capital, nourriture, infirmerie, vêtement de ceux qui travaillent et de ceux qui ne travaillent pas, sur 150 esclaves, 18,000 piastres par an. Ce nombre produisant 3,000 caisses de sucre et 500 barriques de mélasse, qui se vendraient avec un excès de 600,000 francs, de manière que le résultat de la première récolte serait de \$120,000 de plus chaque année produit et moindre expense pour les produire, plus qu'il faut pour rembourser des 150 esclaves, qui à \$500 représentent \$75,000. Donc, si les \$120,000 allaient se dépenser en salaires, ils représenteraient \$1,200, computes sur 100 travailleurs libres qui feraient autant que les 150 esclaves, dont les très jeunes ou très vieux, etc., ne travaillent.—*Espagne et Cuba*. L. Blairet ; Paris, 1863.



# INTRODUCTION.

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The solution of the problem in the following pamphlet, reduces the total expenditures of the Federal Government to 175 millions, perhaps to 150 millions, and possibly to 118 millions of dollars.

Custom-Houses and the Bureau of Internal Revenue might be abolished, and the buildings either sold or rented, and the Public Stores, left to private enterprise.

The principle of absolute free trade and direct taxation, will not add one cent to the tax now paid in total on real estate, and personal property would be exempt so far as regards the Federal Budget.

The exports will then reach 1,400 millions of dollars and will gradually increase.

Coin and currency will be of equal value, rather increasing actual circulation to correspond with increasing wealth, for the population and Territory of the United States that is greater than that of all Europe, thus avoiding a shrinkage of values, panics, and disasters, and also without considering the folly of schemes for transporting bullion from Europe, which the Bank of England could prevent by raising the rate of interest to 10 per cent., as it did in September, 1873, as a consequence of the export for the United States of only ten millions of dollars, or even by a suspension.

Coin certificates would be entirely cancelled, and the Treasury would refuse all deposits; one single money, viz: Greenbacks, will be a substitute for Bank notes, consequently the Government will provide the money, and the Banks will do free banking and receive the deposits, and they will also use the 25 per cent. legal reserve that greenbacks will not require.

The accumulated capital of so favorable a balance of trade, will increase the value of real estate, and other permanent investments, and a house in the City of New York assessed to-day for \$10,000 because it rents for \$1,000 per annum, will be valued at \$20,000, and if the rent is reduced to \$700, it will represent more capital than at the present time.

The owner of a house renting for \$100 payable in currency or interests, dividends or farm products, will then be able to purchase more implements and commodities than with \$150 coin to-day.

The lost importance of the United States Navy will be regained; the neglected timbers that grow profusely in the forests, will acquire a value for building and other purposes, to the advantage of cultivation and

railroads ; the public domain of the United States will also be benefitted, and the Union Pacific Road that sells its land for \$4.55 per acre, will then realize double and perhaps treble its value, and could then pay the 24 millions due to the Government.

Capital will seek investment in the South, and peaceful occupation will be given to the Southern people ; thus preventing a war of races.

Free trade will also correct the degrading habits of the people, and the criminal statistics will be reduced to its minimum.

Following the example of London and Paris, the City of New York as well as others, could well afford the advantages in hospitals, pavements, salubrity and rapid transit, and, if necessary, other Baron Hausmann's could be found or even imported, to make the transformation.

After a theoretical and practical experience of nearly forty years in financial circles on matters of the highest importance, I am induced to decide in favor of the foregoing problem, and I would respectively call the attention of the reader to the annexed table, by which the relative values of property, securities, &c., will be determined in comparison with those of to-day.

Being of foreign birth, a Mexican, it is probable that some objections may be raised with my interference in matters connected with the interests of the United States, by the least in number and patriotism ; nevertheless, I am convinced, that those who are competent to decide upon the subjects that I have treated, will agree, that in my exertions to promote the general welfare, I am doing more than I am in duty bound. I am no Democrat, still less Republican, only independent.

In the *Herald* of May 1st, 1859, under the title of "A Traveler's View about Abolitionism," I suggested what had avoided the conflict in the United States. Since 1845 and more especially since 1863, in my pamphlet "*Essai sur l'Ile de Cuba*," I proposed what prevented the war in that Island, and I quote the *Revue des deux Mondes*.—*Paris*.

"*Ogni cor serva un segreto.*"

M. DE EMBIL.

NEW YORK, December 1st, 1874.

P. O. Box 4,021.

P. S.—I will be glad to receive all papers that in any sense allude to this pamphlet.



# UNITED STATES FINANCES;

## ABSOLUTE FREE TRADE WITHOUT INCREASED TAXATION.

My pamphlet of December, 1873, and March 20th last, forwarded to the Congress of the United States, proved that instead of the 42 millions of dollars required for more revenue by your Secretary of the Treasury to meet the general expenditure, it would be better to *abolish* 152 millions by retrenchment in each and every department, as therein formulated, by reducing them less than they were in 1860 (198 millions less on the only articles of war, navy, Indians, and miscellaneous), by reducing also, as you will be able, the interest on the public debt through redemption in exchange for greenbacks, which might be at par; with the banks and in open market; by saving in the cost of the Internal Revenue Bureau, which also might as well be abolished, since the only three taxes remaining could be paid through stamps, as they are to-day, for 100 millions.

I refer my readers to my proposed act of Congress, at the end of this pamphlet, showing how duties and taxes could be collected as a preliminary step to adopt the absolute free trade. In simplification of the Customs Service, the proposed tariff contained only four classifications or different duties, instead of 1,500 which exist at the present time; and I contended that the *provisional* use of the 26 millions added to circulation would give the resources required, and a final surplus of as much more in the course of the natural year, as has happened, since in the short time that the timid reform and partial retrenchment realized by Congress has operated, the result has been:

\$288,449,855 receipts to June 30th, 1874, though 37 millions less in Customs and Internal Revenue.

284,723,635 expenditure.

\$ 3,726,220 surplus.

And besides \$51,713,530 of reduction in the floating debt from July 1st, 1873, to December 1st, 1874:

Greenbacks .....	\$356,079,967.....	\$382,075,267
Fractional .....	44,799,365.....	47,385,698
Gold notes .....	39,460,000.....	23,015,400
Past due notes .....	51,929,710.....	.....
Accrued interest.....	42,356,652.....	32,848,881
Navy fund and 4 per cent..	14,678,000.....	14,678,000
	<hr/>	<hr/>
	\$549,303,694.....	\$500,003,246
Less legal tenders and gold.	97,290,931.....	99,704,013
	<hr/>	<hr/>
	\$452,012,763.....	\$400,299,233

The balance, as per Comptroller Spinner, increased from \$131,178,137 in June, 1873, to \$150,731,533 in June, 1874, which increase amounted to 19½ millions. The deposits of legal tenders, amounting to 52¼ millions, were represented by an equal sum in the Treasury on the 31st of October, 1874. Of coin, etc., the extract is as follows:

	July 1, 1873.	Dec. 1, 1874.
Gold in Treasury .....	\$87,507,402	\$83,043,762
Gold certificates.....	39,460,000	23,015,400
	<hr/>	<hr/>
Bal. gold.....	\$48,047,402	\$60,028,362
Interest accrued.....	42,356,652	32,848,881
	<hr/>	<hr/>
Surplus gold.....	\$5,690,750	\$27,179,481

The 27 millions are equivalent, as I predicted, to the provisional use made of 26 millions of greenbacks.

What Congress did, and what remains to be done, I will soon explain. I will repeat what I have before stated, that in 1831 the cost of the items of war, navy, Indians, and pensions amounted only to \$10,800,421, and in 1860 to \$32,078,774; in 1871 it doubled to 65½ millions, in 1872 to 75 millions, in 1873 to 85 millions, and the result for 1874 to \$108,977,390 or nearly three and a half times as much, and by all appearances it had continued progressing.

Such suggestions, made not only by myself but by others, and the public outcry, decided the attitude of Congress. To give the example, the salary grab was voted by act of January 20th, but the President's increased salary and back pay was forgotten. The 30 million reserve fund that could be represented with part of the excess amount of bonds bought was also accepted.

#### ARMY AND INDIANS.

General Humphreys understood the mode to reduce 11 millions in the items of fortifications, rivers, and harbors. General Sherman agreeing in the "all head no tail" of the army and his royal staff, in hiring houses for officers to reside in the Capitol, denounced the lack of obedience to him of engineers. Secretary Delano, no later than in March, declared that no great military force was requisite for the Indians, except at the two regions of Sioux and south of the southern line of Kansas and Colorado. "They fight battles to take one horse or one Indian or to be taken by the Indians," as a parody of Don Quixote against the windmills. Judge Lawrence, of Ohio, declared that Indian warfare only existed in the minds of army officers and contractors. Mr. Miles writes to the Commissioners on Indian Affairs from the Cheyenne and Arapahoe agencies, complaining of the repeated thefts to which the Indians are subjected. General Sherman said that the Indians should be protected from the thieves and whiskey-traffickers. Mr. Coburn, of Indiana, reported a bill for the reduction of the army, and of so many discoveries in the articles of moths, recruiting, arming, equipments, clothing, armament, small arms, horses, civil service, miscellaneous, bounties, work for officers, hire of quarters, quartermasters' supplies, additional pay to servants and to 2,000 Indians, also 1,774 artificers, and rations for 1,740 women, pay for 2,216 officers, houses, armories, arsenals, etc.

The number of men representing the army of the United States, as per statement of General Sherman, amounted upon paper to 27,774, of which 19,000 were actually in service, now to 25,000; but, after excluding the non-combattants, deserters, and other details made therefrom, and the great number used as private servants, there only actually remained in active service and for duty about 15,000 men, thus leaving an average of one officer to every eleven men, as is often witnessed in the daily masquerades and processions peculiar to Broadway, with the number of musicians in equal proportion. These details the next Congress should also scrutinize.

The statement I forwarded, suggested that the formula of 1860 might be resolutely adopted whereby 45,000,000 millions in both army and navy, as well as the \$7,000,000 in the item of Indians might be saved, and also the other army of agents, superintendents, and inspectors could be dispensed with. An army of 10,000 men, as a nucleus for the militia, would be sufficient, such is the general opinion; the Indians being left in tranquillity could be stimulated and made useful in mining, railroad, agricultural, and other purposes, as they are in Canada and Mexico, where they have a population of five millions, instead of, as with us, only 255,248, according to the last annual report of E. P. Smith, Commissioner of Indian Affairs, who considers 100,000 that are already in possession of allotted lands, 51,429 convinced and undertaking their labors, and of the 89,819



in the West that are in a wild state, *only* one-eighth of these are hostile. Through good missionaries you could succeed in intermingling them with the superior race in mining and agricultural pursuits.

#### NAVY DEPARTMENT.

At the time of the *Virginus* affair, the West India Squadron had not a single ship of war, and the Mediterranean squadron is considered a comparative waste of money. They have relied on the British ship *Niobe* "to cut their wheat" and stop the butchery of the passengers of the *Virginus*.

The navy of the United States is confessedly inferior to that of *Cuba*, notwithstanding this last was built at a cost of *only*  $3\frac{1}{2}$  millions, as taken from the Cuban budget, whilst the navy of the United States last year alone cost 31 millions, instead of 13 millions, from 1857 to 1861 during the administration of President Buchanan. In 1812, the war of three years with Great Britain, only cost  $7\frac{1}{2}$  millions, the highest rank at that time being post captain, with a yearly salary of \$4,500. Now there are 2,000 officers from captain down under pay, yet there are only 700 on duty for the six squadrons, each having five admirals, with corresponding rear-admirals, and 13 commodores. Out of 165 men-of-war there are only 45 at sea, with 407 guns.

The Pall Mall Gazette of London made a very unfavorable comparison with the navy of Great Britain and that of the United States.

In Article 8 of my proposed Act of Congress I suggested the sale of all stores, clothing, arms, and vessels not required, and in September last eight monitors were sold in New Orleans for only \$68,000, which simply proves that even with such a large appropriation the number has not been increased as during Buchanan's term, neither has there been kept what was inherited from the war of the rebellion.

#### POST OFFICE DEPARTMENT.

Mr. Merrill, in Congress, ridiculed the 7 millions demanded by the Post Office Department to complete the 36 million appropriation, being more than double the amount of 1866, having added 22,000 employees since the year 1859, as was demonstrated by Mr. Fernando Wood, March 7th.

Instead of the 7 millions deficiency that results, the Kingdom of Great Britain offers an equal amount as surplus.

In the month of June, three months later, the Postmaster understood that the conveyance through the mails of samples of merchandise, packages, clothing (clean or otherwise), seeds, cottons, bulbs, roots, scions, metals, ores, books, etc., (all of which were paid by weight), should virtually cease, and, in accordance with my Article 7, a round difference of ten millions at least could be gained, "by limiting the postal service in all its consequences to correspondents and newspapers." Since then the awards for the service of the Pacific States and certain territories for the mails on the routes have been made for \$67,000 against \$229,000. The 8 millions now paid for transportation could be reduced in much greater proportion.

Mr. Williams supported in Congress my Article 8, confirming the fact that the railroads were public highways, for the service of the Government, free of tolls, the actual cost of transportation being 10 millions.

#### CUSTOM HOUSE MOIETIES.

The moiety incidentals to the seizure of books of merchants by Custom House employees was also repealed, though *not* so absolutely as I proposed. Messrs. Dawes, Roberts, and Beck, in Congress, and Mr. Opdyke, of the Chamber of Commerce, confirmed the fact that the private books of merchants should be kept inviolably sacred.

#### STATE DEPARTMENT.

This department is now expending more than Secretary Seward wanted for its complicated machinery during the late rebellion, and the \$2,200,000 demanded last year in excess should be refused.

### COIN CERTIFICATES.

By Act of March 7th my article 1st to redeem coin certificates was passed, and the 40½ millions dollars that were in circulation in March, 1873, have been reduced to 23 millions up to the 1st December last.

The fluctuations in gold have been insignificant, even with the high interest in London in November last, and the surplus of gold in the Treasury, which was 5½ millions on the 1st July, 1873, increased to 27 millions on the 1st December, 1874, the total being 83 millions, and at the same time the accrued interest decreased from 42¼ millions to 32½ millions. With this reform, and only one money, and others, the cost of the service can be reduced to its minimum, and suppress the 7,640 employees, added since 1859, besides those of the Customs and the Bureau of Internal Revenue.

### TAX TO NATIONAL BANKS.

In my article 4th I proposed a single tax to Banks of simple computation, instead of the three taxes that are now enforced, consolidating them in one of one half of one per cent. per month, or 6 per cent. per annum on their total circulation.

This proposition was supported by Mr. Poland of Vermont, but Mr. Beck of Kentucky asked for a further 2 per cent. additional on circulation, which, with the other taxes, would have been a still greater tax for the New York banks that have the largest deposits, say \$230,000,000 in October last, in proportion to 630 millions in all the 2,207 National Banks of the U. S., exclusive of 70 millions in the State Banks. My object was to stimulate the substitution of Bank notes, and, as a consequence, of U. S. Bonds for greenbacks, and thereby induce the banks to derive an equivalent net profit by the use of 25 per cent. more of currency, which they now keep as legal reserve for their circulation, and thus save the expenditure, risks of forfeiture, and the trouble of bank notes; while even if they were returned for a great amount they could *not* be exchanged for greenbacks until their Bonds were sold.

The *New York Herald* and the *London Times* of April 30th recommended the Tax and the redemption of Bank notes. Mr. Moses Taylor, President of the City Bank of New York, when consulted, stated that he did not care for bank notes for his bank, and we must bear in mind that the stock of this bank is worth 300 per cent. in the market.

### AMOUNT OF CIRCULATION.

The tedious discussion in Congress on this subject has had many incidents, but it was ultimately agreed upon not to reduce the 382 millions of Legal Tenders that were issued since January, a part of which, as before expressed (64 millions), were remaining in Treasury as a reserve of deposits and as balance. Aggregating the Bank notes \$739,425,159, and \$47,385,698 in fractional, instead of 900 millions, and 70 millions fractional that I suggested, to redeem 200 millions U. S. Bonds exclusive of those owned by the Banks, to correspond with the circulation in 1863 and '64, during a devastating war, including the 3 per cent. Treasury notes that Banks used for their reserve.

If legal tenders were redeemed with U. S. Bonds bearing 5 per cent. interest, as suggested by Mr. Sherman of Ohio, in imitation of Mr. Triquet, at the cost of 20 millions in interest, then bank notes could *not* be exchanged for greenbacks, and Mr. Chase's system would fall for want of foundation, which would result not only in the greatest financial perturbation, but in a general shrinkage of values. Circulation must correspond to increased wealth, increased population and increased territory, which changes occur in the U. S., and are not important in Europe.

If such were only partially realized, the panic of September 1873 would be repeated with real reason, and it must be remembered that this disaster was chiefly due to the Bank "fuss" that had been accustomed to encourage wild speculation by certifying checks in excess of balances, and by suddenly returning to the right and proper principles of banking that I recommended in article 4th, prohibiting the payment or certification of checks in excess of balances.

When they perceived that the Bank of the Commonwealth and Trust Company had suspended, they virtually conformed themselves to the fact that the



business of the city required more circulation, and then issued 25 millions of certificates of deposit, as I had myself done in Havana in 1857 in my Bank, which system saved the Spanish Bank.

The advantage of money paper in preference to coin is demonstrated even in Japan, where paper is at a premium. During the war all hurried to change their bank notes for gold, and such a run would not occur with greenbacks..

Mr. E. M. Davis, of Philadelphia, confirms the fact that paper money being the legal tender, would save us from the fears of a money "crisis." Mr. Ferry, of Michigan, said with honor, "I would not discredit my own paper;" as it is discredited by being repudiated in payment of duties; and Mr. Ferry also added, "I would declare my paper good for all purposes, and then enter the market and purchase the gold necessary to meet the obligation which I had agreed to pay in coin." Fools do at last what wise men in France did at once. The assertions in Congress in relation to the circulation of Great Britain and France, that only comprise an area respectively of 121,000 and 204,000 square miles of dense population, does not apply to the 3,604,843 square miles of the U. S., including the deserts of Alaska.

The transactions among farmers and mechanics cannot be made through clearing houses, when the great city of New York has never adopted the method either for stocks, or the transactions on account, as is customary in London and Paris.

Any attempt to bring gold from London will decide the Bank to suspend. Only 10 millions, brought during the September panic, raised the interest to 10 per cent. Subsequent to the demonstration of my circular of Oct. 3d, 1873, (which virtually had the effect of staying the panic) there was a sudden recovery of fourteen per cent. in Western Union Telegraph Co. and other stocks, up to the close of the market on the following day. The stocks held by Commodore Vanderbilt also improved \$7,000,000 from their lowest panic price, more than the so styled Commodore expected. This circular I read to him one hour before its distribution, and it resulted in no earthly profit to myself, not even a complimentary letter. The letter of Mr. Groesbeck in the *Times*, and the circular of Mr. Denny some days after my proposition, supported a change of system for the N. Y. Stock Exchange, but other great speculators that discovered better the play, by their daily delivery of stocks, and by raising and lowering the rates of interest to suit their own convenience, opposed the realization of the plan of "fair play," to which reformation we shall arrive at hereafter.

If a party purchases one thousand shares of New York Central Railroad from different persons, realizing a profit of one quarter of one per cent., the transaction requires certified checks to the amount of two hundred thousand dollars, whereas, by my formulated plan, two hundred and fifty dollars is all that is necessary. In a case of this kind there is 800 times more money or credit required than would be necessary in either London or Paris. One half of the 34 thousand millions in checks cleared in New York in 1872 had their origin in stock speculations. The absurdity of substituting bank notes for greenbacks would compel the banks to pay in coin. At 20 per cent. reserve, the circulation and deposits would demand 273 millions coin, and, including active circulation, 300 millions.

The exports of specie from the United States in the 27 years from 1848 to 1874 aggregates 1,622 $\frac{1}{4}$  millions, and yet the Banks of England, France, Prussia, Austria, Belgium and Hamburg held, in October 15 last, only 619 millions in coin and bullion (£123 4-5 millions), but if we compensate what the banks owe to one another, the net amount would be 500 millions for a circulation of \$1,071 $\frac{1}{2}$  millions, for an area of territory that is smaller in comparison with that of the United States.

The *New York Chronicle* of Nov. 22d calculated 453 $\frac{1}{4}$  millions, but omits the Prussian bank (162 $\frac{1}{2}$  millions). As they require 90 per cent. to conform these corporations to the legal conditions, and they have no mines at home, any excess of 20 millions that the United States would take from them would raise the interest, and reduce the price for cotton, breadstuffs, and other articles that the United States sell to Europe; the public and private debts due by the United States would then be called. The only possible and convenient plan is my suggestion, as any other that might be made would attack the European banks, and the effect would reflect as against the United States, the same as any aid to them



would result to your benefit; and you must remember that they hurried to your assistance by their shipments of gold in the panic of 1873. Mr. H. C. Carry of Philadelphia, a good thinker, in his letter to the Secretary of the Treasury, Mr. Bristow, recollects that the general paralysis that ensued the first year of the war magically changed the society movement, the usurious charges, and the re-establishing of harmony in the relations of labor and capital; due to the issue of 400 millions of currency.

The Utopians, or "hard men," combine now to aggravate the actual paralyzation of business, developed by the very low rates of interest for daily purposes, but at much higher rates for investments. Senator Eaton, in his letter published in the *N. Y. Herald* subsequent to the election, supports my theory.

### UNCONSTITUTIONALITY OF GREENBACKS.

The 64th section of Mr. Chase's National Banking Act should be repealed, thus deciding that only greenbacks and the equal of gold coin are legal tenders, as has formerly been decided by the Constitution of the United States in Article 1st, Section 8, namely: "Congress shall have power to coin money, and regulate the value thereof;" consequently, should it become necessary to *equalize* the value of both monies by a reduction of the weight or quality of the coin, it rests with Congress. Eagles now circulate in Havana at \$21 in exchange for Spanish doubloons. Prussian sovereigns worth 6.20 in Berlin, leaving half penny profit, are melted down and converted into French napoleons, which is a blunder.

As regards the solvency of the United States Government, I will quote from the statistics of Mr. G. C. Don, of Chicago, presented to the National Board of Trade, and also from the New York, United States Mortgage Company, both reports concurring that the true value of real estate and personal property in the United States represented in 1870 30 thousand millions of dollars; consequently a tax of only one per cent. would be sufficient to pay the total amount of greenbacks, exclusive of the amount destroyed by fire and other causes.

The railway lines aggregated in January last 71,969 miles, and if real estate and personal property has doubled in value from 1860 to 1870 in that proportion, it must represent to-day forty per cent. more.

The system of greenbacks is one of the blessings of the last war, and yet their utility continues a subject of discussion. In a repetition of the words of Mr. Ferry of Michigan, "I would not discredit my own paper;" this should have been the basis of your acts, and had you abided by your Constitution, instead of voting the Act of March, 1869, and others (the only object of which was to appreciate the United States Bonds that you were to buy), you would have appreciated greenbacks, to which pledge you were in law and honor bound. For this reason the 323½ millions United States bonds that have been bought by the Treasury from May 4, 1869, to September, 1874, have cost 363 millions, or 123 per cent.

The exclusive right of the Government to issue money should never have been delegated to the banks, to the concealed object of loaning them another capital without interest in the proportion of 90 per cent. to the par value of the United States Bonds deposited; in the meanwhile, these facilities were actually denied to the bondholders. It is generally admitted that greenbacks are the best paper money. No fear of any sudden run to return them. By a reckless administration of the Bank of France, by a fire, or by an attack of the Commune, that corporation might become insolvent, and yet its bank notes are actually appreciated even in Germany at 1 per cent. premium in gold coin.

If Congress passes my articles 1st to 5th, admitting greenbacks at par, in payment of one half the amount of duties, and shortly after for the full amount, greenbacks would then circulate at par coin.

The signification of the Latin word *moneta* implies a stamp, in the nature of a seal to an agreement, and in Greek the word *nomisma* signifies law; hence the stamp, and the law is the virtue of money, which makes it a legal tender.

For the traditional Indians (that probably Senators Sherman and Schurz take for example) the only good money was the "old king," the Spanish pillared dollar. The Greeks had live cattle for money that could walk alone, without being carried, as coin is, and as the cattle ate, so coin is worn out by constant use, and by filing.



If greenbacks were redeemed, you would then become a nation of debtors to represent your transactions by notes, unless you adopted shells, &c., for currency, as is done in Africa and elsewhere.

My proposition in article ———, advised the redemption for greenbacks of the 385 millions of U. S. bonds held by the banks, and of another 200 millions bought in open market for greenbacks at par currency, made equivalent to gold, and the refunding in "consolidated" 4 per cent., or better, 3 65-100 per cent. interest of another sum of 500 millions, in both ways saving 45 millions of dollars interest, and recommended to be prepared to realize it in a propitious moment. I will now suggest that 25 per cent. of the redeemed bonds, not exceeding 100 millions, be kept in the Treasury as a reserve for circulation; authorizing the Secretary to re-issue them partially, whenever it becomes necessary to purchase gold abroad or at home, or to purchase coupons in Europe, and in that manner pay the exterior interest.

By this plan you could command the gold markets of London and Berlin with your bonds, as you now command 61,299 pounds sterling, with a pile of \$300,000 in gold eagles by the sale of them at 76 shillings 3½d. the ounce. Your mines contribute within 70 per cent. to the total production of the world, and you can buy gold bars and pay for them in greenbacks, thereby being as indifferent to the exports of gold as you are to the exports of cotton and breadstuffs; and, as I shall hereafter demonstrate, you can add 300 or 700 millions of dollars per year to your exports, and make a profitable turn in your balance of trade, and you will thus have another natural and constant afflux or its equivalent, many times more important than the produce of your mines.

Mr. Daniel B. Mellish, in the House of Representatives, on the 27th last March, said: I take a paragraph from a letter I have received from M. de Embil, of New York: "France had 602 millions of dollars of bank notes issued, and had to pay 1,000 millions gold to Prussia while it had only 145 millions coin and bullion."

France kept her paper at par with coin. With the products of the mines, the United States should have 140 millions in coin, and we necessarily should be equally as able as France, at least, to keep our paper currency at par with gold. Prussian taxes were paid exclusively in silver coin, which rose 50 per cent. The Prussian Government declared that  $\frac{1}{2}$  the taxes should be paid in paper, and paper was at par one week thereafter. France had lost 2,000 millions of dollars in the Prussian war. Great damages and injuries to cities and counties had to be repaired, as well as the destruction of military stores, interruption of commerce, and the general depression of industrial pursuits.

But it became easy and cheap for the Bank of France (that has not as yet resumed specie payment) to appreciate bank notes that were not even the money of the Government, and to reduce their circulation to 510 millions of dollars, on the 22d October last, and increase the reserve of coin and bullion to 250 millions. In the event of Europe returning her United States bonds, the Treasury can redeem them for greenbacks, and keep in reserve 25 per cent. of the amount until the aggregate becomes 900 millions total circulation, and the fractional currency could also be increased to 70 millions.

The premium on gold is due to two gratuitous reasons: Coin certificates appreciate gold by adding the facilities of paper, to remit and lock up for speculation, and dispenses with the inconvenience of counting, weighing and transportation. The great distinction is the depreciation of greenbacks by repudiating them in the payment of duties. One step backward made by coin, and another step upwards made by greenbacks, and the distance which separates them will disappear.

The Act of March, 1869, in which only one Democrat in the Senate and ten in the House concurred, and all other Acts dishonorably applying to the money of the Government, must be repealed. Even Senator Sherman, of Ohio, when Chairman of the Committee on Finances, in 1866, asserted that greenbacks meant exactly what is said, namely: Legal tender in payment of 5.20 U. S. Bonds as the Government considered them in payment of bonds. The absolute repudiation for duties continued even when the customs collected last year amounted to 163 millions in coin, even 25 millions less than they were last year. To-day there remains in the Treasury a surplus of 27 millions, instead of 5½ millions, and a total of 83 millions in coin December 1st, being double the amount required to pay the interest in coin, viz.: 97½ millions on 1,167¼ millions of 6 per cent. bonds and 552½ millions of 5 per cent.



Mr. A. T. Stewart, of New York, in his letter to Deputy Mellish, recommends the admission of greenbacks in part payment of duties. Mr. Pendleton and the Syracuse Convention assert "that if bonds and duties were paid in currency, gold and currency would have equal value;" and he might also have added, that the \$100 interest in paper with a revenue tariff, or even better, absolute free trade, would purchase more necessaries and commodities *than* 150 in coin to-day.

When legal tenders become appreciated as coin, specie payment will be realized in all its important objects, and the official declaration will not be worth the paper upon which it is written.

At the end of the third page of my pamphlet of March 20th, I predicted "that sugars in the tariff of Great Britain would be included in the free list at the least expected moment," which fact was duly verified by an Act passed in the succeeding month of April, and took effect in the month of May following.

I now predict with confidence that, notwithstanding the Banks of England and Ireland may return to their Government the greater part of the profits derived from the excess circulation and managing the public debt, or as the *Herald* of April 9th, says, in two-thirds the amount, in imitation of the example of the United States, the British Government will abolish their bank notes.

To prove still more the inefficacious foundation of bank notes, in what refers to an exchange for greenbacks, we will suppose that one, two or three hundred millions of them are returned, and by the banks referred to the Treasury. An incident of this class would demand time to procure greenbacks by the sale of U. S. bonds deposited, which would necessarily result in a panic, and the suspension of the banks would imply a suspension of the Treasury. Now, in order to obviate this, the only true remedy is a "single" currency, printed "one dollar," namely, greenback. If, in the course of 25 years, your population doubles, as must be expected if the general plan is realized, there will be required 2,000 millions, or a new issue of 40 millions every year, either to buy new bonds or to build telegraph lines, to be united with the Post Office Department, and get the revenue, or in reduction of taxes, or as a reserve for any emergency.

The fear of your President that, in the case of gold declining to par, debtors would have to pay a *premium* was a mere fantasm, as *par* means *no* premium. An event of this kind would be just as satisfactory to every one, as it was in Prussia.

To conclude with the Bank note system. It becomes incumbent upon the banks whenever they are returned, to give the greenbacks, and whenever they falter to the demand, it then imperatively devolves upon the Treasury to respond.

I will again submit the question: How could the Treasury, in such an emergency, pay one or two hundred millions of bank notes returned? Can the U. S. Bonds on deposit be sold for greenbacks in open market, in a day or in a week?

#### CUSTOM HOUSE TARIFF.

As was formulated in my article fifth, there contained only four classifications or different duties instead of the original fifteen hundred. The brain of the merchant is not sufficient to comprehend the tariff, and his cunning counsellors often lay a snare to entrap him, in order to incur penalties and moiety. By this means they are distributed among the army of 4,500 employees that absorb the time and money of the public.

As I have hereinbefore stated, I considered this the preliminary step necessary to arrive at the direct taxation, absolute free trade without customs, and this system would be the only efficacious one for your fabrics and agriculture.

The raw materials could be purchased 70 per cent. cheaper, saving the premium on coin to pay in Europe, and on duties, and the duty itself, and labor as well as wages, that constitute so great an element for industry, would also be cheaper, and would leave an equal or more saving to the laborer. Capital also would be cheaper.

Hats are protected to-day with a duty of 50 per cent., but hatters pay an equal 50 per cent. on silk plush, and they only realize a dear article which they cannot sell for foreign markets.

Raw silk pays a duty equivalent to that of 35 per cent. gold, collected on the manufacturers, and what protection and monopoly gives with one hand is taken away by the other hand, and even in excess, as labor is dear and a positive loss. The same applies to wool and woollen fabrics in the 48 articles or different



duties, from 70 to 140 per cent.; to British steel at  $3\frac{1}{2}$  cents, and 10 per cent. in gold; that you absolutely require for certain tools, saws and axes, and hoops, at 30 cents a pound. The 24 per cent. duty in the 1860 tariff was considered an outrage even by the slaves.

The perfidy of this system cannot be more evident, yet, even with the offer of protection, you have been abused. There are 847 cotton mills in operation, of which there are 413 in Massachusetts, Rhode Island and Connecticut, with  $9\frac{1}{2}$  millions of spindles, that consume one and a quarter millions bales of cotton; that sell their print cloths, delivered at Fall River, Mass., at  $5\frac{3}{8}$  cents per yard, corresponding with  $15\frac{1}{2}$  cents per pound of raw cotton—and they are jobbed in New York at  $10\frac{1}{2}$  cents. The New York and Pennsylvania mills purchase their yarns and weave only. The exports of cotton fabrics under the tariff of 1860, at 24 per cent. on manufactures, represented eleven millions of dollars, and under the tariff of 1874, amounted to only \$3,091,332, for the eighteen millions of yards of colored and uncolored and other manufactures, from which gradual decadence in exports is clearly demonstrated the negative effect of the protection. At the same time the United States have been importing at the rate of 35 million dollars in 1872 and 1873, and \$28,883,878 in 1874. As their over-production cannot be sent on consignment to foreign markets, they have agreed to curtail their production 25 per cent. until February 1st, 1875, as the price required by the present cost of labor is too high, and the result is that the article of cotton fabrics is placed at a higher price than the community is able to pay.

The woolen manufacturers have also agreed to curtail their productions, and the committee held last November in the Chamber of Commerce proposed to abolish duties on wools and woolens, and if such were not possible, to reduce to 25 per cent. ad valorem the duty thereon. A servant girl pays double for her dress of silk and cotton as a result of the 60 per cent. duty, and also for her beer with a duty of 15 cents for barley, 20 cents for malt, and 5 cents for hops. In like proportion this applies to woolen and cotton fabrics, and every article of consumption, hence laborers cannot work for wages that will not pay the cost of living, where now they pay \$170 for what they could then buy for \$100. Consequently they must demand a corresponding salary.

A hat of best quality costs \$8, but originally may have been bought anywhere, either in London or Paris, for \$4. If you require three hats in the year, the over-cost is \$12. This applies also to women's hats, &c. Simply make an average of \$8 on your population, and the extortion in the article of hats alone is equivalent to 320 millions dollars every year, without any extra profit to the monarch hatter; on the contrary. the excess cost of wages, and the impossibility of trading for an equal amount for foreign export prevents them from enlarging the scale of their business. In proportion you are extorted in the relative price for your coats, overcoats, shoes, &c. Now, the \$100 which you realize for one bale of cotton, gives you in exchange less in implements and commodities than you could get for one-half the money under free trade, consequently free trade will make your \$100 equivalent to \$200; and if, at the same time, labor to produce and transportation, costs less, you still have another profit. In the item of hats alone, you can get to-day 12 in payment for a bale of cotton, and hereafter you will be enabled to get 24 for the same bale that will cost less to produce. This principle applies also to corn, wheat, and all farm produce. Then the United States could double the produce of the land by free trade; and then the reformer could exclaim, "*vini vidi vinci.*"

Great Britain having very old lands, with the facilities of free trade, cultivated in wheat this year 3,821,655 acres, yielding 29 quarters to the acre, or 99 millions of bushels; nevertheless, this small yield is remunerative, because the farmers get labor, implements and commodities in exchange at low prices, and they leave it to free trade to provide for them at cheap rates, which is fairer than to allow her people to starve. No raw cotton is produced there; this article must be imported from the United States, and paid for at the rate of 22 05 cents or 9½ pence, for what is only worth  $20\frac{3}{4}$  cents in New York, and yet they can sell their fabrics of good quality at a low price, and this cannot be done here; notwithstanding the protective duty has increased an average of from 5 to 50 per cent. in 80 years, and three times as much since 1860.

The general opinion is that the domestic manufactures are inferior, and preference is always given to imported carpets, cassimeres and other fabrics of silks,



woolens, &c. Instead of attributing the effect to the real cause, some imagine that the race is enervated by the free use of eighty millions of gallons of spirits and fermented liquors, averaging 64 drinks to the gallon of spirits and 8 drinks to the gallon fermented. In the City of New York alone there are 6,950 dram shops, equivalent to one shop for every 72 males, which consume, at retail cost, six hundred millions of dollars, exclusive of twelve million gallons of wine that represent one hundred and seventeen millions more, thus giving, for example, the 9,006 females that were sent to Blackwell's Island for intoxication, from January, 1870, to 1874. I have witnessed the hurried manner that certain ardent spirits are drank, and the immediate want of water, as petroleum would demand, and have concluded that by free trade the importation of good, cheap and milder wines would result in reforming and refining the habit to a great extent. People could then drink more, and as much in quantity as the French and Spanish races, without the inconvenience of fermented spirits. For this reason the tax on spirits and fermented liquors should continue, or rather be increased ten cents per gallon, as Mr. Douglas suggests, and all *franchises* must be accorded to domestic and imported wines. Public and private protection by franchises should be extended towards the propagation of the California vineyards, as their yield is six hundred gallons to the acre, being three times as much as in Europe.

The inferiority of domestic products is the natural consequence of the protective and prohibitory system through the tariff, and sugar is the only agricultural product that is protected, consequently Louisiana has not increased her yearly yield of one hundred thousand hogsheads.

You now produce 2,500 millions of dollars in farm products, and you can export the eighteen and one-half per cent. These you might doubly increase, and add 500 millions to the exports or transfer them into fabrics. Of the 4,234 millions of all your fabric products you have been able to sell for foreign markets, only 1½ per cent., or 61 millions of dollars, only \$3,091,332 of cottons. If the raw material paid no duty, and wages were lower as the natural effect of free trade, you would produce 70 per cent. cheaper; you could sell for \$100 what now cost \$170, and also supply foreign markets, and by reaching the 18½ per cent. as your export of farm produce, you could export 800 millions of dollars, instead of only 61 millions. Your balance of trade would also gain the difference of 735 millions, and if your imports increased at the same time in 400 millions, the balance of profit would still be 335 millions, in addition to the 39¼ millions that result in your trade up to June last.

#### BALANCE OF TRADE.

\$550,556,723 have been your imports, less what was re-exported up to June, 1874, exclusive of perhaps 60 millions that the 33,000 tourists bring as baggage.

17,878,225 in the reduced stock in bond.

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568,434,948 total consumption.

569,522,470 export of domestics.

607,697,969 38,875,499 balance of specie.

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\$39,263,021 gained in the balance of trade, viz.:

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1,087,522, exclusive of coin and bullion, against one hundred and five-eighths millions lost in the preceding year. The imports in New York City have represented 395 millions and 340½ of exports.

In all cases it must be borne in mind that, independent of what foreign countries ship to the United States in goods, you must also pay the interest due, amounting to 200 millions on United States securities, and on States, cities, railroad bonds, and other enterprises, exclusive of the 75 millions of freight and passengers through foreign flags, and also the capital that tourists annually spend in Europe.



Your trade with America is very unfavorable for the reason that your dear products have closed all markets, because you do not do for them what they do for you. I will copy one of the last returns :

<i>Population.</i>	<i>United States Imports.</i>	<i>United States Exports.</i>
Mexico ..... 9,175,000	\$ 18,566,154	\$ 6,430,103
Central America..... 2,665,000	2,238,305	1,347,149
West Indies ..... 4,000,000	103,006,002	35,059,372
South America.....26,239,000	75,908,999	29,641,217
<hr/> 42,079,000	<hr/> \$199,719,460	<hr/> \$72,477,841

The trade with America could be monopolized, and, instead of losing 127 millions, comparing their capacity with yours, you might sell them 3 or 4 hundred millions total, and thus render a service to mankind and to yourselves. The Singapore, Malapa, and Renang settlements sell you five million dollars, and you can sell them only \$19,226.

In 1873 you built 3,895 sailing vessels and 1,565 steamers, aggregating 987,216 tons, only one-half of what was built by Great Britain—say 1,791,312 tons. Having an abundance of timber in your forests, you could sell to America the vessels that it might require, and also re-establish the supremacy of your merchant navy, which has been lost by the war, and, subsequently, by the monopoly of the tariff on vessels and building materials.

The British, having the liberty of purchasing in the best markets, bought your vessels at a low price, and changed the flag; but you are deprived even of this privilege, and have been prohibited from recovering them: such is the will of your master shipbuilders and iron producers.

#### ACCUMULATION OF WEALTH.

The addition to exports as a consequence of free trade, and the constant and increasing balance of trade in your favor, will accumulate capital in the country, the interest for money will decline, and the revenues or dividends equivalent to ten dollars that represent to-day \$100 value of capital will then represent \$200, as in France, where the interest is 5 per cent.; or \$285, as in Great Britain, where money is worth  $3\frac{1}{2}$  per cent. If you could reach an interest as low as  $3\frac{1}{2}$  per cent., your real estate and personal property that represented, in 1870, 30 thousand millions value, would then represent 75 thousand millions. If rents from \$285 declined to \$100, the actual value would be kept notwithstanding; and if the \$285 of revenues only declined to 192 $\frac{1}{2}$  dollars, even then the 30 thousand millions would become 45 thousand millions.

#### CUBA.

This island contributes to the general trade of the United States within 20 per cent. of the total imports, and might represent a great deal more, and reciprocity. The New York Times of March 9th, 1874, states that the United States take 67.05 per cent. of all sugars of Cuba, 93 $\frac{3}{4}$  per cent. of molasses, 13,387,652 pounds tobacco of the total exports of 17,442,600. The United States only exported 59,732 barrels of flour against 288,347 barrels and 87,803 bags from Spain, 134,000 quintals of lard of the 250,000 consumed.

The *Evening Post* of May 19th published the imports in the United States in total:

1,454,124,259 pounds of raw sugar valued.....	\$77,852,670
113,670,829 pounds of molasses do. ....	4,772,165
43,533,909 gallons of melado do. ....	9,901,851
<hr/> equivalent to 795,000 tons, and valued at. ....	<hr/> \$92,526,686

to which total, Cuba and Porto Rico contributed eighty per cent. or  $73\frac{1}{2}$  millions of dollars, freighting 3,918 vessels in voyages. The United States have returned only one-fifth the amount sold by Cuba and Porto Rico, including other articles which you receive from those countries. From information which I have received from Cuba, and taking in confirmation Spencer's statistics, this Island has exported, in 1873, 853,320 tons of sugar and molasses, of which 479,373 tons of sugar and 146,012 tons of molasses, or a total of 626,285 tons, were for the United States; at the same time Great Britain took 20 per cent., and Spain consumed less than 2 per cent.

Adding tobacco, cigars, fruits, etc., the exports from Cuba alone represent at least 110 millions of dollars, as surplus for a population of 1,300,000, and in this proportion the United States should export 3,500 millions of dollars annually, or six times as much.

To give the idea of the prodigy that your tariff now realizes, an invoice of ten thousand segars, costing in Havana \$92 per thousand, gold, pays \$412 duty; consequently, the price for a cigar of  $1\frac{3}{4}$  cents is augmented to  $5\frac{1}{2}$  cents under the present rates of duty.

England and Holland monopolize the far east trade of Java and Mauritius, and the United States have better facilities to monopolize the trade of Cuba, which is in the near west. This must be your only aspiration, without any other ambition. By following the example of Great Britain, sugar and molasses should be exempt from duty, thereby improving the refining industries and permitting them to re-export in refined qualities, as Great Britain returns the cottons that she receives as raw materials, which proves that the United States is in duty bound to exert its moral influence toward suppressing the prolongation of a war that has resulted in such great sacrifice of life and the destruction of such enormous wealth. The example of the United States would decide the future Government of Cuba to reciprocate by abolishing their custom houses, and the production being cheaper, the transformation from slave into free labor would be realized without reducing the actual amount of productions, but rather increasing it, as the consumption of your increasing population demands. The South will produce this year 4,375,000 bales of cotton, and your monster crop in 1859-'60 only aggregated 4,670,000 bales, proving equal to slave labor. But, admitting for a moment that the Customs in the United States should continue, the revenue that might be lost on sugars and molasses and leaf tobacco could be compensated in great part by another duty on tea and coffee that are not raw materials, and the consumer, by paying equal or less average cost for a cup of tea or coffee, would sustain no damage by the substitution.

Your imports in 1872 amounted to

298,805,946 pounds coffee, valued at.....	\$37,942,225
63,811,003 pounds tea, valued at.....	22,943,575
Spices and chicory.....	7,924,608
Total .....	<u>\$68,810,408</u>

A duty of 33 per cent. ad valorem or the specific one of 12 cents per pound on tea and 4 cents per pound on coffee, amounting to 23 millions, would be a better policy than a duty on sugar, which is a raw material. Leaf tobacco is also a raw material, which should also be exempt from duty.

#### DIRECT TAXATION.

Mr. Charles O'Connor, in his letter to Mr. Abraham E. Earle, the Secretary of the Free Trade League Alliance, is right in supposing "that the future of this Republic depends on free trade, and proposes to compel the government to defray all its expenditures by taxation, and this remedy must be sharp, short, and sudden." He has confirmed my proposition in the first page of my pamphlet of March 20th, and as I consider the opinion of the country favorable, and as no other step is now wanted, I will try to formulate the revenues by substituting direct taxation by apportionment of Government expenses among the several States, according to population and representation, and equivalent to Custom House revenues.



My effort will be to prove that taking from the *actual* State taxation or lower, only one-quarter or one-half per cent. of the three per cent. that is collected by the States, *without* adding to the actual total tax, the transformation can be instantly realized, and soon after any participation can be dispensed with. I will begin by demonstrating that even if one-half of one per cent. is added to a house valued at \$40,000, the \$200 additional tax would be compensated in great excess by the saving in the relative cost of repairing as a consequence of free trade, and also in the cheap personal cost of living for the owner, when the general plan would bring the price of all necessities, commodities, wages, mechanics, and materials to the low type that ruled before the war with Customs, and still cheaper for those fabrics that are imported. If, in 1859, when, during the Presidency of Mr. Buchanan, the State taxes were computed at the rate of 60 cents on the dollar, and, in 1864, during the time of Mr. Lincoln, at the rate of 1 per cent., and even lower during the administration of Mr. Johnson, in proportion to the high premium on gold, and that during the time of Mr. Grant they have advanced to  $1\frac{1}{2}$  per cent., and gradually to 1.70 per cent., and to 3 per cent. for 1874 to 1875, we must agree that in such a great increase at least  $\frac{1}{2}$  per cent. could be spared to help the Federal Government in case another  $\frac{1}{2}$  per cent. could not be reduced to the taxpayers. One-half of one per cent. on 20 thousand millions, value of real estate in the United States, excluding personal property, would afford a revenue to the Federal Government equivalent to 100 millions, which is more than what is actually required to *complete* the total expenditure.

For the State of New York that comprises 28,000,000 of acres, the island of New York—comprising only 14,000 acres—was assessed last year in the sum of 1,154 millions of dollars. It also paid \$34,822,391 in taxes, and at only 3 per cent. for 1875 it is expected to collect \$37,000,000, which proves that the suggestions of the Committee of German Taxpayers has been considered, and that the market value would in the aggregate amount to 2,000 millions of dollars if the subscribed oaths of the owners themselves were made. In this case the City of New York would alone contribute \$10,000,000 out of the 3 per cent. of actual taxation for the Federal budget, or, in other words, one-tenth of the total required.

The city appropriations for

1863.....	\$12,945,213.....	Debt.....	\$34,710,342
1869.....	26,485,847.....	Debt.....	52,205,430
1872.....	32,437,522.....	Debt.....	93,607,708
1874.....	34,822,391.....	Debt.....	131,869,571

Increased debt  $38\frac{1}{2}$  millions from 1871 to '74.

The fact of the city debt being large, without any contribution to the war, without good pavement nor salubrity, mortality being three times greater even comparing with Dublin, without quick transit, only cattle cars where men and women are packed, the debt is considered an inconvenience for a much greater reduction of taxes; nevertheless, this debt could be reduced \$50,000,000 in a very few years, in the manner that I will now suggest. Without detriment to the Central Park, such lots as front the street on the 5th and 8th avenues, from 59th to 110th street, and also on this last street, (using the one hundred feet depth only,) could be gradually sold. imitating London parks. A payment for the property of 25 per cent. cash and 75 per cent. mortgage could be made, and the mortgage could be redeemed in city bonds. The buildings that would be erected thereon, as well as the interest, would compensate, and the general rate of taxes would be proportionately reduced to about one-third. The appropriation could be reduced to that of 1863, beginning by saving the cost of cleaning the streets, that could be made by contracting to sell the fertilizers. Half this amount as subsidy for quick transit would realise this great advantage.

Real estate, by the general effect, would improve in value and particularly those lots in the immediate vicinity of the Park, and the improvements would also be helped at half cost for the owners of lots on both sides. Now the owner of a house valued at \$20,000 and mortgaged in \$15,000 must pay \$600 tax, \$1,050 interest, and \$250 insurance, repairs, etc.; total, \$1,900; and the house gets older every year.

# FEDERAL RECEIPTS AND EXPENDITURES.

The receipts of the Federal Government might result as follows:

- \$59,000,000 on spirits and fermented liquors at the actual tax of 70 cts. the gallon, payable in stamps, as were collected last year. If 10 cents per gallon were added the revenue would increase.
- 20,000,000. The only tax on bank circulation at  $\frac{1}{2}$  per cent. per month, or 6 per cent. per annum. In case the bonds owned by the United States are redeemed for greenbacks, the saving in interest will amount to three millions more.
- 10,000,000. Stamps in Schedule B, for legal documents, powers of attorney, mortgages, &c.
- 5,000,000. Surplus or balance instead of deficiency in Post Office Department, by limiting the service to correspondence and newspapers, and by declaring railroads public highways for the service of the Government.
- 18,000,000. Sale of public lands at higher prices, public buildings, stores, consular and patent fees, coinage, &c., as detailed in my pamphlet of December.
- 100,000,000.  $\frac{1}{2}$  per ct. to tax on real estate, on 20 million dollars to be credited by the States.

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\$212,000,000

8,000,000 more if the tax on spirits is increased to 10 cents per gallon, as considered by Mr. Douglass.

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\$220,000,000. Total receipts, exclusive of

30,000,000 balance in Treasury, and of

40,000,000 that could be issued as provisional reserve for such radical reform.

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\$295,000,000, besides what the Pacific roads owe and could pay in next year.

The Expenditures would result as follows:

\$16,472,202 for war, as in 1860.

11,514,640 for Navy, as do.

2,991,121 " Indians, as do. do.

17,022,037 Miscellaneous; exclusive of Post Offices, as they are counted for balance in receipts, neither Customs or Bureau of Internal Revenue, as these would be abolished.

29,000,000 Pensions compensated as suggested hereafter.

98,000,000 Interest on Public Debt.

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\$175,000,000 The item of interest can be reduced in 45 millions, as before suggested, and 20 millions have been considered in receipts as tax on banks, the saving of

25,000,000 balance will reduce the expenditure to

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150,000,000

If Indians and pensions are abolished, as hereafter suggested, there will be an additional reduction of

32,000,000 leaving the total expenditures at

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\$118,000,000

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The excess of receipts being enormous, consequently the direct tax on real estate can be reduced from  $\frac{1}{4}$  per cent. to  $\frac{1}{8}$  per cent., or to nothing, counting the balance of 30 millions in Treasury, and the 40 millions greenbacks that provisionally could be used, if any postponement in the arrangements could be fixed.

The States could also make a reduction, which would bring it to an equal total of one hundred and fifty millions of dollars, then both taxes would aggregate \$7.50 for each inhabitant. The present tax is \$13 35-100, and not less than \$50 in the overcost of consumption, total \$63 35-100, making a difference of \$53 86-100, or \$2,234 millions annually, which would accumulate in capital, wealth, and industries, and would not only be the means of reducing the rate of



interest for money, but would also assist in a still greater degree in reducing the rate of taxation, without diminishing the amount of revenue for the States in proportion to increased value, &c.

### PENSIONS.

The \$29,000,000 of pensions, that are included in the expenditures, might be stricken therefrom, and some plan could be adopted that would be equally satisfactory to the pensioners of the United States.

By granting the public lands in compensation, they would become tax payers, and the working of these lands would add to the resources of the country.

Under the surveillance of the Government the mints could be leased. If, as a rule, the postal service for the routes were awarded by sealed proposals, the cost would be one fourth, as has been proved by the trial in the postal service of the routes of the Pacific and Territories from \$317,000 to \$105,000. In that proportion, or greater, the eight millions paid for transportation, and the 10 millions to railroads abolished, and the taxes they pay.

### COMPARISON WITH THE BUDGET OF GREAT BRITAIN AND THE UNITED STATES.

Independent of the army required for the Kingdom of Great Britain, it also provides for that of the Colonies for one quarter at the total cost of the metropolis. For this reason, the 136,000 men cost  $72\frac{1}{2}$  millions of dollars (£14,500,000), and the army also provides the stores, buildings, staffs, &c., for the militia. The public debt amounts to 3,617 $\frac{1}{2}$  millions of dollars, or 723 $\frac{1}{2}$  millions of pounds sterling. The interest on the debt being 108 millions of dollars, is *greater* than that paid by the United States. As the Colonies of Great Britain are so far distant, they constantly require and actually keep a superior navy, because they do not tolerate the maltreatment of their subjects, neither do they allow their flag or their consuls to be outraged, or their citizens to be murdered and robbed of their property, as has lately happened in Cuba to the citizens of the United States. On the contrary, Great Britain inflicts summary and adequate punishment on the aggressor. For that reason their Budget amounts to 289 $\frac{1}{4}$  millions of dollars, (£57,850,000) less than your estimate, and the States Budget being only 87 $\frac{1}{2}$  millions (17 $\frac{1}{2}$  million pounds sterling), hence the total tax for the British is less than \$10 for each individual, but in return they receive cheaper the ordinary necessities of life, and all other commodities. In every consideration your Republic is much dearer than the British monarchy, and you pay less for your debt.

I have substantially submitted to you that on the basis of free trade you could have still lower direct *taxation*, and a still lower cost of consumption and production, with decidedly improved advantages, and while you have cotton and other raw materials, you can take the greater part in the trade of America and Asia, and Christendom.

### ELEMENTS OF PRODUCTION.

The great number of employees that are now under government pay monopolize the money and time of the industrious people. Of the 6,627 criminal prosecutions pending on the 1st of July last in the Circuit and District Courts of the United States, 5,525 referred to Custom Houses, Internal Revenues, and, consequently, only 1,101 for other reasons. Hence the \$2,669,730 Judiciary appropriation could be reduced to one-fourth. Under the new regime, these easy positions will be vacated. Those that degrade themselves by selling behind the counter such articles as fancy goods, toys, &c., will then be induced to work the lands and create wealth, thereby giving up these situations to the female sex and to invalids, to which class this kind of employment is better adapted, since neither strength nor brain is required.

### CONGRESS.

With the success of the last election the Democrats, or Conservatives, as we shall call them, will have a great majority of votes in the House, and they will also represent the majority of the 36 sections of the country. The right of *deciding* in relation to appropriations, and of resisting the unnecessary waste of expenditure, remains with the House *exclusively*; and consequently it can compel



every department to conform with the formula of 1860, virtually repealing all acts and laws that may oppose the reform. There will probably be three parties, instead of two, that will render the votes for President fractional, and neither of the three candidates obtaining an absolute majority, Congress will then *decide*, selecting from among those that obtain the most votes, by the majority of votes in Congress. The power conferred by the Constitution was intended to provide revenue for the Government at less cost for the people. A protective tariff is to reduce the revenue, and confer special privileges to corporations, enabling them to extort from the public, and creating as many monarchs and as many slaves. The same applies to banks, to railroads, by grants of lands, and otherwise.

### MILITARY GOVERNMENT.

It is the practice of Great Britain to give preference for governors of her Colonies to the civil class, excepting for Gibraltar, where there is no wealth to promote or destroy; for "Premier" they always look for statesmen, and the importance that Great Britain realizes as Banker for the whole world is a well established fact.

Lincoln and Johnson conducted the war, and Buchanan proved the mode to govern economically. With money and credit wars are made successful, and a statement is better adapted to move the machinery of credit.

The Honorable Benito Juarez, President of Mexico, of the Indian race, governing a large territory, managed to oppose the power of three nations that had combined to overthrow her Republican Government—something more important than your last war—and the trials that the United States have made of a military government has proved a failure, for, after nine years of peace, the people are still suffering the calamities of the war by increasing appropriations.

In Italy the public debt is 1,800 millions of dollars, and the interest 150 millions, yet living is one-fourth less there than it is in the United States, where it is a real outrage for a refined man to pay three or four times for his clothes, shoes, segars, &c.

The rate of taxation, the traditional protective and prohibitory system, the yearly loss in the balance of trade, the premium on gold, the cost of living (as high now as in Paris during the Prussian siege), and the symptoms of social dissolution, all explain the resolute attitude that has been reviewed in the late elections. The "*Quosque Tandem abutere,*" was in every mouth.

### POLITICAL PRIVILEGES.

Mr. Charles O'Connor forgets that we live in the nineteenth century, when he suggests the extermination of the colored race; he forgets that they help the production of cotton and other articles of export; that they contribute towards nearly two-thirds of the total exports of the United States, thus enabling you to pay the interest of your exterior debt and your imported commodities.

From Cuba, the negro population sends you sugars, molasses, tobacco, &c., which represents one-fifth of your *total* trade, and mostly monopolizes your flag. In Mexico, five millions of Indians work the mines and cultivate the lands, and they exert many industries whereby they teach the superior class to compete at low prices and good quality. Now, if in the United States, Cuba, Mexico, Peru, Chili and other Republics, they are made useful, Mr. O'Connor *must* certainly concede that the colored race can be used to some advantage in the United States. These republics annually sell you 200 millions of dollars of their products, and why should you not do as much in fabrics, and in return, thus being of benefit to mankind, instead of only selling them 72 millions per annum? It would be better if the colored race were left alone to their labor and not interfered with, or identified as politicians. In what category Mr. O'Connor does place the Spanish volunteers that are in Cuba butchering women, old men and students, robbing the property of those that have created the wealth? And those that allied to them or at their service, have been sending gunboats, arms and ammunition, to be used in such criminal objects. And those that accepting the infallibility of your Popes, only dare groan, and with great precaution tell you that they sympathize with Cuba?

Mr. O'Connor is correct when he considers it an error committed by the 15th Amendment made to the Constitution, and there is no doubt that an addition



might be made even to this Amendment, excluding persons who are completely ignorant and unable either to read or write, from political rights, which would result beneficially, and thus avert a war of races. The anomaly excludes women from political rights, so deciding that they are inferior to the most ignorant class. If the addition to the 15th Amendment is made, as civilized society demands, the example will be imitated by Cuba, and the trouble that the United States continually experiences will be avoided. That the party would be ruined by an attempt to overturn the suffrage of the uneducated class is contradicted by the experience that the inclination even in the negro is to get a distinction and set aside the equals. And by experience the mixed color have been distinguished by their desire of crosses, titles or nicknames, so frequent in the Spaniards.

### IMPORTERS AND PRODUCERS.

What will be the condition of importers and producers the day following the enforcement of free trade?

To elucidate, I consider that the importers have as an equal amount of goods in their stores as they have in bond—say \$100 in store and \$100 in bond. The stock in store costs them \$170, adding 70 per cent. for duties, premium on gold, &c. Only \$100 the goods in bond will cost, having no duties to pay. Then the average cost will be \$135, and the consumer will be satisfied in buying 35 per cent. cheaper than he has been in the old habit of buying. Goods that are on the way will only cost \$100, and the average between \$135 and \$100 will be \$117½, at which price they would be able to sell, if necessary, deriving the same profit that they obtain by selling to-day at \$170. This argument applies in the same way to importations of raw materials as to fabrics, the same to wool as to woollens, to raw silk as to silk manufacture, to sugars, segars, tobacco, &c., as the abolition of duties will favor all articles in proportion, with the advantage that at lower prices the sales will be facilitated for home consumption and foreign markets. The economy that will be realized in the cost of consumption will be used in additional consumption and commodities. If \$50 be saved by buying necessities amounting to \$100, which cost under the present tariff \$150, the \$50 will be expended in more cotton goods and other articles.

### RAILROADS.

I will not dare to say the effect that my proposed reform will produce on the value of many lines, the stock of which intrinsically represents less than blank paper. In my pamphlet of December, 1873, I recollected that, per Poor's tables, the condition of the 417 lines was very precarious, the capital being \$1,674,844,113, the bonds and mortgages \$1,511,578,944, making a total of \$3,186,423,057, of which only \$2,006,000,000 had been paid by stockholders and bondholders. It is calculated that for 350 millions, bonds are already in default of the payment of their interest, and probably will be abandoned to the bondholders. The most important, New York Central, Lake Shore, Pennsylvania and Rock Island, that reach the highest prices, are constantly issuing bonds to meet their dividends, and in that way have been watered to such an extent that, in a good condition of the country, parallel lines could be built for one-third their actual cost, at one-third rate of tariff. The Baltimore & Ohio Railroad appears as an exception; the New Jersey Central owns lands that can be of great value; so do the Pacific roads, and in that way compensate the extortions that have been committed.

To give an example of the scale of such extortions, I will refer to the three contracts that the Union Pacific made with Hixie, Ames and Davis, that left them a profit of 42 million dollars, which was distributed among the manipulators of the Credit Mobilier. But the road owns eleven millions acres of land that, under free trade, can be sold at double or treble the \$4 55 that their sales average. It could pay the 24 millions due the Government, and require no more subsidy, moving freight of those aggregations of lands in cultivation. The New York lines exist on very high freights that end in no convenient place for re-shipment of what they transport. It is too grave to agree in 100 millions capital for 858 miles in length, or 1,716 miles counting the four tracks of New York Central, and the 88 millions for Lake Shore, and for the 1,558 miles of Pennsylvania, having a debt of 133 millions, which compare with the 1,495 miles of the Baltimore & Ohio Road, that has only 39 millions debt and



44½ millions capital, and out of the 5 1-3 millions earnings, after paying dividends, has carried \$2,880,861 to the surplus fund. At the same time the New York Central and Lake Shore, after earning 46½ millions, have required to add 16¾ millions to their indebtedness. If the country decays, their condition will be worse; if the country prospers, the accumulated wealth will permit building other railroads.

#### EXAMPLES.

I remember that my proposition in the "Junta de Fomento," in Havana, to abolish the duty on coal and on tonnage of vessels bringing it was carried, and the use of coal was adopted for the sugar plantations; the price then ranged higher than when it paid duty. Some of the domestic beetroot refiners in France, alarmed at the reduced duty that West Indies sugars would pay, stopped the first year, but the following year the number increased. That the Jamaica planters thought that the equalization of duties in the British tariff for all importations, without distinction of proceeding or flag, Mr. Smith, a member of the British Free Trade League, was sent to Havana to study the relative advantages to all produce in Cuba. I demonstrated, to his complete satisfaction, that Jamaica, by buying cheaper, also lands, and wanting no other capital to invest in slaves, had more advantages.

To those that think that through slavery more can be done, I will refer to the 4,375,000 bales of cotton that the South will produce this crop, when the monster crop of 1859-60 was 4,675,000 bales, notwithstanding the 15th Amendment. France, that was an importer of grain subsequent to the Prussian war, is now an exporter. Her actual crop of wine exceeds by \$250,000,000, aggregating \$500,000,000, and this item alone is equivalent to *all* that you can export. To those that attribute all the inconveniences to do less than other people to the great debt of the United States, I have proved that the debts of Great Britain, France, Italy, &c., are greater on capital and interest. To those that confound the object of immigrants, that is the saving of capital they can accumulate, I will refer them to the great emigration that has begun to take their course in return to Europe. To those that, at the example of the Indians, ask a subsidy of the people, for the honor of having American industry dear and bad, and to the other forms of communists, I will answer that mendacity in any form is contrary to the general prosperity, and that in Republics the sovereigns are only the States—not the beggars or the stupid that invoke their incapacity to do as cheap and good as the other people can do. Protection through franchises is legal protection, though prohibition must be still more condemned in Republics. A writer used to say in Cuba: What would it be for every planter to accord me one box of white sugar every year? That would only mean 1,500 boxes or \$45,000 for him.

Shakespeare has said that success depends more on the ear than on the tongue that proposes. My programme of last March was read by a leading journalist of New York. He said: "If such reforms were carried out we would have a perfect Government, and our paper, having nothing to criticize, would die." He preferred the "Après moi le déluge."

#### THE PROPOSED ACT OF CONGRESS, OF MARCH 20, 1874.

1st. The government resumes its right of issuing money, good for any form of debt and for half the amount of duties. Will take no more responsibility in public deposits to lock up 90 millions of coin and greenbacks, but will return them to their owners who can deposit them in the banks, increasing the resources of these for business. The Secretary of the Treasury is ordered to cancel public deposits and the certificates. The trouble, danger and expenditure will be avoided.

2d. The Acts of Congress of March, 1869, and February 25th, 1862, are sacred pledges to raise Treasury notes to coin standard, and to pay the interests of the public debt in coin, and must be respected without opposing one another, nor to the general interest of the country. The legal tender will be admitted for half the amount of duties since May 1st (now January 1st).

The Secretary of the Treasury is authorized to buy the amount of gold merely required, and, if wanted, return it to the market simultaneously in payment of interests and in partial gradual anticipation; to issue 4 per cent. consolidated bonds in exchange of gold. Also to buy coupons in Europe through low exchanges, and during the movement of crops.



3d. The government declines the responsibility of keeping in deposit the U. S. Bonds belonging to the banks as a guarantee for their bank notes. The Secretary of the Treasury is ordered to return the bonds in proportion to the amount of bank notes that will be retired from circulation and delivered for cancellation. For the amount of bank notes redeemed, the Secretary is authorized to issue legal tenders in substitution.

4th. From May 1st the banks will pay one half of one per cent. every month on the amount of their circulation, in consolidation of the actual taxes on capital less Bonds, deposits and circulation, that are abolished, also the stamps on checks, will be free of receiving deposits, and represent them in any form of certificates. But will be absolutely prohibited to pay or certify checks in blank in excess of balances, under the personal responsibility of the President and Cashier. The 25 per cent. they lock up as a reserve for bank notes is not required for legal tenders, and they will be able to use 90 millions more in business. At less interest they will earn more, and when receiving also of the other 90 millions that the Treasury now locks up in deposits. Their statements will give their real situation instead of averages.

5th. The Secretary of the Treasury is authorized to refund U. S. Bonds at 4 per cent. in consolidated, but to a limited amount of 500 millions, he is consequently authorized to refund at less interest and at par legal tenders by issuing greenbacks, but a limit is put to such increase of circulation that will not exceed 900 millions in total including fractional, or 157 more than it was before the last issue of 44 millions.

The government adopts as a law, to be enforced May 1st.

I. The Internal Revenues will be paid in stamps, and will only be:

On distilled ardent spirits, &c, at the actual rate of 70 cts. 80 millions gallons.....	\$55,000,000
On circulation of banks $\frac{1}{2}$ per cent. per month, \$344,858,627.....	20,000,000
On stamps of Schedule B, on legal instruments, powers of attorney, deeds, mortgages, &c.....	8,000,000

II. The tariff of Customs will consider as in the free list all imports, excepting *only* on brandy and perfumes, rum shrud, cordials \$2 per gallon.....

On wines at 40 cts. gallon and \$2 dozen bottles, 12 $\frac{1}{2}$ millions gal.	10,000,000
On segars, at \$2 lb. (\$1.25 in England).....	5,000,000
25 per cent. ad valorem, foreign prime value, on manufactures totally or partially silk, cotton, woolen, iron (not hardware or machinery, scientific apparatus, horticultural and agricultural imple-	2,000,000

plements), and of leather, 167 millions.....

25 per cent. ad valorem on iron bars and for railroads, tin plates and in blocks, clocks, watches, jewelry, 50 millions.....	42,000,000
Custom-House fees, penalties, &c.....	12,500,000
Duties on tonnage, and of \$6 to change foreign flags.....	1,500,000
Adding sale of public lands in what is expected of the general im-	1,000,000

petus, of Indian trust lands, buildings including those that will va-

cate, consular and patent fees, profit on coinage as before indicated.	14,800,000
On marine hospital, steamboats (could be abolished) and miscel-	

laneous .....

\$175,000,000

6th. The books of merchants must be sacred, by no reason whatever shall they be taken from their offices nor intervened. Imports will not be delivered until paying duties, no bond is required. Any dispute for under valuation, &c., will be decided by a jury, in which the respectable class of merchants will represent one half. The only privilege reserved to the government is to adjudicate the goods by paying the invoice cost, 10 per cent. profit, freight and insurance. Moities are prohibited absolutely. The consular certificates will be wanted in goods taxable on foreign value, not for those paying specific duties.

7th. The Post Office service will be limited to correspondence and newspapers. Samples, books, &c., excluded. Ten millions can be curtailed of the appropriations.

8th. Stores, clothing, arms, vessels, &c., not required in the army and navy will be sold.

9th. The railroads are public highways for the government, free of toils, &c., and must be for public correspondence, in compensation also of all taxes abolished.

10th. The credit of the States reflects that of general government. The Southern States must be helped, and will return more in produce, &c.

As illustration and comparison, I will present reduced to American gold money, the tariff by which Great Britain collects £20,903,857, or \$101½ millions.

Tobacco & Segars.	Brandy, &c.	Coffee, Tea.	Sugar, &c.	Currants.	Others,
	and wines.				
£7,046,937	6,568,205	3,447,250	3,283,081	480,638	207,747
Duty, segars \$8¼ lb.	\$2½ brandy, 3½ cts. & 12½.	59 cts. 100 lb.	\$1½ 100 lbs.		
	44 cts. wines.				

Duties on sugar were reduced to one-half in 1870, in April last from 5¼ shill. average to half again, and the least expected day will be included in the free list. You are near the producing countries, and must abolish the duty and promote refining industry.

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Custom Houses collect and pay as follows:

New York.....	\$125,000,000	Wages.....	\$2,000,000—1-57 p. c.
Boston.....	20,000,000	" .....	700,000—3-38 "
Philadelphia ...	8,000,000	" .....	350,000—4-50 "
Baltimore .....	7,000,000	" .....	400,000—5-24 "
Chicago ..	2,000,000	" .....	92,000—4-41 "
San Francisco.....	8,000,000	" .....	330,000—4-10
St. Louis.....	1,500,000	" .....	34,000—
New Orleans (under }		" .....	
Jas. F. Casey)..... }	3,600,000	" .....	470,000—13 "

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112 Revenue Customs.....\$4,376,000—3-23 "av.  
 136 collecting less than expenditures.—[*New York World*.]

The required excessive cost of the Circuit and District Courts, \$2,000,000; the rents of buildings, etc., the other cost of Internal Revenue Bureau, \$4,193,000; buildings, etc., aggregate 20 million dollars. Consider for as much more the time taken from industrious people, and this gives the measure of the advantage of abolishing all these departments. Customs could be abolished from January 1st, and the stock in bond declared free of duty as a compensation to importers. Now 70,000 persons are out of employment, one in ten of the able population that want cheap consumption, and the general condition is like that of Great Britain in 1844, that was saved by free trade, abrogating the corn laws, etc.



## APPENDIX.

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### THE WAR IN CUBA.

The importance of this island is revealed by the 20 per cent. that its imports represent in the total trade of the United States, though occupying an area of territory of only 35,000 square miles and a population of 1,300,000, from which they help mankind with 110 millions surplus, or six times more than the United States. Without being raised to the category of a law, those that criticize the infallibility of the Roman Pope, and, with the names of various sects, including Mormonism, are parodying the Roman Church, having accepted the dogma of another Pope, only dare to groan that they sympathise with Cuba, but keep silent in the face of the jobs that explain the indifference or assistance and encouragement to the bloodthirsty scenes that are perpetrated there. Not a word of indignation, not even a private action to help these gallant people.

Napoleon I. said that nations recover from any disasters excepting those that produce the opprobrium that they quietly accept and to which they consent, and Alfieri says, "A slave is but worthy."

On the 19th of February, 1870, the Hon. William Mungen, of Ohio, denounced the several secret reasons of the fitting out of gunboats and of the Cuban policy, which has been confirmed, with other information, by many other papers. He made a summary comparison of the wars of independence of the United States and Cuba to prove that more battles had been fought in the Island, and there had been more obstacles and organized forces to oppose, by land and sea, operating in a small territory, than during the war of the American Revolution, operating in 415,000 square miles of an almost desert territory, when steam, telegraph, and good rifles were not known.

General Quesada, in his address to the United States, published in the *Herald* of the 4th December, 1873, when proving that 100,000 Spaniards had been killed, with arms taken from them sent from the United States, remembered your past history, and alluded to the retreat and crossing of the Delaware by Washington's army with only 4,000 men, that had been annihilated by the superior force of Lord Howe, but for the timely and generous assistance of Count d'Estaing, who arrived on the 7th of July, 1777, with 12 ships of the line, four frigates, and 4,000 French troops. This decided the struggle for independence and gave you a nationality. In this there was no political object to gain, neither was there any spurious aspiration.

The Spanish author Riquelme, and before him Bentham and others, recognize the right of foreign intervention where the interests of humanity or the essential interests suffer from a protracted civil war, and from which results the laws of civilization and humanity are disregarded.

General Banks, as President of the Committee of Foreign Affairs, announced that the responsibility for the butchery of the students and other crimes rested on the administration; his noble independence was rewarded by his renomination for Congress.

The Alabama affair has been a failure by accepting the principle of the United States responsibility for the vessels that were fitted out from so extended a coast in exchange for a grocery bill.

Nothing better could have been suggested by the counsellors of the Spanish volunteers, as a reason to enervate the action of the United States. The Virginians affair has been a great diplomatic failure, and the New York *Herald* of the 24th November last, "resenting the dishonor of the long series of discreditable negotiations, tells us that Spain expresses its willingness to settle the American claims for the bloodthirsty vengeance upon the principles which England asserted

and that we owe to that country, and not to our government, the act of tardy justice, and that the best we can do is to accept the award and boast as little as possible over the little glory that comes with it."

Two questions arise: the one is, if there is a war with belligerents in Cuba or no war, could it be decided by a proposition to be voted upon? The other Republics of America have used their right and duty of giving their opinion, notwithstanding the close alliance of the United States with the Spanish volunteers. The other question is, how to compel those savage tribes that spare no crime of butchery, sequestration of property, outrage to your flags and consuls, etc., to stop the war, and regulate it on the principles of humanity and civilization? For that, you have had recently the example to follow in the only claim that Great Britain has had; how they have inflicted prompt punishment and since then has ceased, in some manner, the bloody instincts of that race. Great Britain is a monarchy, and has not been called on by Cubans to interfere; their interest has not been to promote a new Republic near their West India possessions; they consider this the duty of the United States, that will derive the great advantage of having in the neighborhood a natural friend instead of a natural enemy that is also humankind.

American citizens have had their property sequestered. The Spanish Constitution, in the fundamental article 13, prohibits sequestration absolutely; those that decree them or execute them are condemned to pay the damages out of their individual property.

The repeated decrees or protests from Spain against sequestration, repeated in dates July and November 24th, 1873, are explicit. Consequently, the action was traced to exact the law to be enforced in Cuba. The property invested in the United States for the account of captain generals and all those being or having been members of the Treasury debt, had been attached immediately; if the amount was less than the amount of damages, their *individual* property in Cuba had been occupied immediately. The opinion of your most important judges in international law, advise still more: to extend the responsibility to all those that are bound to the acts of their government, these oblige the nation and their subjects. There is no doubt that this legal and advised action, if enforced, would have produced the sudden effect of regulating the war in the island. Better late than never; Great Britain has shown the example in the only claim that she had, now you can give it to the American Republics.

To pretend that Cubans that have taken no part in such sequestration, but are victims to it, should pay the damages through a public debt, would be the greatest of all atrocities. The indications that I have set forth can tell those that are offered a per centage on the amount of damages to be recovered how to realize their commissions soon, and in good money.

The undersigned, a Mexican citizen, in addition to his printed protest of June 5th last, served upon the Spanish Consul in the City of New York, as an organ, to notify the President and Members of the Committee of the Treasury debt in Havana, had printed and forwarded his statement setting forth the amount of revenues, &c., collected for his account, and other valuables and interests disposed of, aggregating over two and one half millions of dollars fairly increasing, not including real estate. His case was adjudged by the Captain General Jovellar, who decided on the 24th November, 1873, that no legal reason had been found against him, and the order was communicated to the said Committee of the Treasury Debt to surrender up his property, which has never been obeyed, which proves still more the rebellious attitude that is daily exhibited, contrary to the Spanish Constitution and the Government at Madrid.







